

INVESTING IN Rural Prosperity

The Opportunity: Economic Resilience

Background

Rural communities, like all types of communities, face a constant and shifting array of both sudden shocks and gradual changes that affect their economies. These can include climate-induced natural disasters, financial market disruptions, widespread or localized economic restructurings and pandemics. They can occur decades apart, or all in one year.¹ Many rural communities are poorly equipped to handle the challenges of climate change and other pressures because of an already highly stressed social, economic and environmental system.² Therefore, it is important for communities to build their capacity for resilience and adaptability, so these inevitable events are more manageable and do not permanently diminish the community's potential for shared prosperity. While a local plan is key to resilience, community leaders must address the broader issues that promote economic insecurity and undermine resilience in communities. A significant factor in the difference between recovery and resilience is the leadership in place to support a community's transformation from its past to its future.³

Examples of Local Efforts

Across the country, **MDC** enhanced emergency preparedness in socially vulnerable communities through inclusive community resilience planning with a grant from the Federal Emergency Management Agency. MDC worked with trusted local organizations, established diverse local planning teams, provided planning grants to team members to enable their participation, and provided implementation grants to ensure a return on team members' time and effort.⁴

In Virginia, the **New River Valley Regional Commission** and partners leveraged the ongoing Livability Leadership group to rapidly respond to the COVID-19 pandemic in March 2020. Among other things, the partners established the New River Valley Business Continuity Team, a resource for employers offering advice on health, public relations and legal issues, as well as providing funds for on-site cleaning.⁵

In Oregon, **NeighborWorks Umpqua** created a plan for a sustainable fisheries industry. The plan included investing in local processing and incentivizing a market for less-popular fish that were plentiful in the area. The effort preserved jobs, contributed to food security by ensuring local food would end up on local plates, and made the market for the local industry's product less vulnerable to global events.⁶

In Florida, **Centro Campesino's** Wind Mitigation Retrofit Program makes homes better able to withstand hurricanes, limiting destruction in the community and reducing the need for repairs following storms.⁷

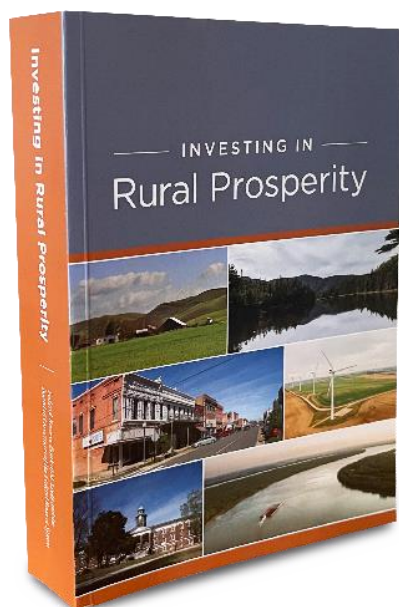
Keys to Success

- Develop a local resilience plan that seeks to maximize the health, safety and economic well-being of everyone in the community.
- Gather data to assess vulnerabilities and inclusively engage community stakeholders to determine the most appropriate strategies for mitigating threats.
- Coordinate the systems that represent the building blocks of a community, including those related to the local economy and workforce, education, finance, environment, transportation and health.⁸
- Build adaptive capacity at the community level by developing new fiscal management supports to oversee and administer public disaster funds and private relief dollars, and by enhancing the local economic and workforce development vision to include opportunities in nontraditional sectors.
- Build adaptive capacity at the individual or household level by training the local workforce to take advantage of employment opportunities outside the region if necessary, and by helping workers accumulate assets and improve their financial literacy to be better prepared for economic stress.⁹

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For More Information

- ¹ Davis, Daniel Paul; and Dumont, Andrew. “[The ‘TRIC’ to Fostering Shared Economic Prosperity in Rural America](#).” *Investing in Rural Prosperity*, Federal Reserve Bank of St. Louis and the Board of Governors of the Federal Reserve System, 2021, pp. 135-52.
- ² Cain, Caitlin. “[Developing Climatic Capacity in Rural Places](#).” *Investing in Rural Prosperity*, Federal Reserve Bank of St. Louis and the Board of Governors of the Federal Reserve System, 2021, pp. 475-85.
- ³ Bryant, Jenna; and Cooper, John T. Jr. “[A Path for Rural Resilience](#).” *Investing in Rural Prosperity*, Federal Reserve Bank of St. Louis and the Board of Governors of the Federal Reserve System, 2021, pp. 169-79.
- ⁴ Bryant and Cooper (2021).
- ⁵ Byrd, Kevin. “[Breaking Down Friday Night Rivalries: Strengthening Regional Governance Structures to Facilitate Collaboration](#).” *Investing in Rural Prosperity*, Federal Reserve Bank of St. Louis and the Board of Governors of the Federal Reserve System, 2021, pp. 279-91.
- ⁶ Kackar, Sarah; and Harris, Susan Fitter. “[Building Local Capacity in Rural People, Places and Systems](#).” *Investing in Rural Prosperity*, Federal Reserve Bank of St. Louis and the Board of Governors of the Federal Reserve System, 2021, pp. 461-74.
- ⁷ Ibid.
- ⁸ Bryant and Cooper (2021).
- ⁹ Cain (2021).



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